Advertising Age

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75¢ a Copy; $30 a Year | The International Newspaper of Marketing • In Two Sections. Section 1. | November 5, 1979

McDonald's told to alter claim

Nobody can do it in kid ads

By CHRISTY MARSHALL and RICHARD L. GORDON

WASHINGTON—The National Assn. of Broadcasters turned thumbs down last week on clown Ronald McDonald's claim that "Nobody can do it like Ronald can."

In response to a complaint filed last June by J. Walter Thompson Co., New York, with the knowledge and approval of its client Burger King Corp., NAB has ruled that McDonald's Corp. advertising featuring Ronald is in violation of the children's section of the NAB code. Specifically, it runs counter to guideline I-P, which states: "Competitive/comparison/superiority claims or techniques are disallowed."

McDonald's Corp. appealed the decision, but the appeal was overruled and the nation's leading fast-food chain has been told to change the campaign in 30 days, according to sources.

▪ The final decision was reached by the NAB code board at a recent two-day meeting held in Orlando, in which JWT, McDonald's and Needham, Harper & Steers, its agency, presented final arguments.

When contacted, McDonald's execs declined to comment.

According to sources, the Mighty Mac is following orders, however. Needham is now readying a new campaign theme lined "We know Ronald can do it. We know Ronald can." The commercials feature Ronald saving the day with fantastic feats not possible by regular human beings.

ABC and NBC have yanked the "Nobody can do it like Ronald can" spots off children's programs, while CBS is judging the commercials individually. If the spot shows Ronald leading children in a parade, for example, the net will leave it on the air, but if he is using the claim to sell a product, the spot is pulled.

▪ JWT vp-legal counsel Howard Abrahams said it was "very unusual" for his agency to press a complaint with the NAB, but that Thompson was convinced the McDonald's line "was definitely telling children that McDonald's was doing something that's better than the competition.

"We don't like to bring challenges of any kind concerning advertising, but, at the same time, these guidelines—at least as they are applied to JWT clients—are strictly enforced," Mr. Abrahams said.

Burger King is especially aware of this I-P guideline, since that code point has prohibited BK from targeting its current "We've got the best darn burger" line to young viewers for the exact same reason—making comparative claims.

A company spokesman in Miami said, after viewing the Ronald spots, it was readily apparent to him "there was no way that that would go."

McDonald's has recently stepped up its attack on the children's market as a result of inroads made by Burger King (AA, Feb. 19). According to McDonald's research, Burger King's superior premiums have been swaying young customers away from the Golden Arches.

"It's nice to be the one they are reacting to," a Burger King spokesman said. #

Anacin may stop ads rather than run correctives

By NANCY GIGES

NEW YORK—American Home Products might stop advertising regular Anacin entirely rather than run corrective advertising if it loses its current battle with the Federal Trade Commission, a former AHP exec has indicated.

A consideration to switch all ad support to Maximum Strength Anacin from regular Anacin came out during testimony involving a McNeil Laboratories' suit against AHP, alleging false and misleading advertising for Maximum Strength Anacin.

David McLain, former vp-marketing of AHP's Whitehall Laboratories until joining Carter-Wallace as exec vp of Carter Products last May, stated that corrective advertising could be "ruinous" to Anacin in today's hotly competitive market. That fact was part of the rationale for introducing Maximum Strength Anacin.

Mr. McLain testified the feeling at AHP was: "If we go out there and tell people what we told them before was not true and that there was no substantiation or proof that we are any more effective than aspirin, I think we are going to raise further questions . . . [and] many consumers might agree we are not as effective as aspirin."

▪ The strategy for Maximum Strength Anacin, a 500mg tablet (the same strength as McNeil's Extra Strength Tylenol), was being developed in the fall of 1978 just as a FTC administrative law judge ordered $24,000,000 worth of corrective advertising. The full commission has not yet issued a final order.

Separately, McNeil sued in U.S. district court here last summer when AHP began airing tv commercials claiming Maximum

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FCC staff gives passing grade to kid ad reforms

WASHINGTON—The future direction of Federal Communications Commission pressure on children's tv was steered toward programing issues last week and not advertising.

A team of FCC staffers studying children's tv turned over an 800-page report that, among its findings, said tv has generally complied with the advertising reforms called for in a children's tv policy statement issued by the commission in 1974.

▪ The report left to the Federal Trade Commission controversial allegations that tv ads to kids were inherently "unfair" or promoted products that were "harmful" to children. FTC is considering whether a children's tv advertising rule is needed and is looking at a wide range of options that include doing nothing, requiring new disclosures or banning outright certain categories of tv ads to kids.

The same FCC staff group, however, said tv had made little or no progress toward increasing the amount of educational and instructional programing for kids, another key part of the 1974 FCC policy statement.

The staff reached the controversial conclusion that only a direct order from FCC would increase the amount of this programing because advertiser interest in child audiences was not enough to move commercial broadcasters.

The staff said that more children's programing might get on the air if advertisers were permitted to sponsor some of the kids' series the government finances through the Department of Health, Education & Welfare.

HEW has spent $52,000,000 on 28 tv series for kids—11 still in production—but they have gotten little air play on commercial tv sta-

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New routes keep airline ads on course

By JOSH LEVINE

NEW YORK—While a retreat from advertising might cushion an airline against a 1¢ per gallon rise in the price of fuel, deregulation has indirectly made an airline's ad budget as inviolate as its fuel.

With considerable increases in air fares still lagging behind the unflagging march of fuel prices, airlines must rely on healthy traffic and profitable routes to keep them in the black.

While marketing approaches vary, most airline execs agree that the job cannot be accomplished without advertising.

Many airlines, given new freedom on route selection, are still sorting out the routes they plan to add and those they intend to vacate. And while discarded routes had received little advertising support, the new routes drive ad budgets up with the necessary introductory announcements.

"We've increased our budget 20% to 25% this year to cover the new routes we started serving," said Bryan Moon, vp-advertising, Northwest Airlines. "That's the biggest advertising increase in Northwest's history."

Trans World Airlines, which is ironing out a lopsided east-west route system with some 40 daily flights to Florida, is currently in the midst of a major vacation promotion, via Ogilvy & Mather.

Eastern Airlines, a predominantly north-south carrier, is reversing TWA's route pattern by inaugurating new flights to Denver, Phoenix and Albuquerque. The ad budget for the fourth quarter has been augmented to promote them. Eastern's agency is Young & Rubicam.

Pan American World Airways is awaiting Presidential approval of its CAB-sanctioned merger with National Airlines to give it a domestic flight network. That means more advertising.

One exception is United Airlines, which excised 25% of its fourth-quarter budget but, here again, added flights from Chicago and Denver to Florida are expected to restore those cuts next year. Leo Burnett Co. handles.

"I'm sure that most airlines would like to save money on advertising, just as they'd like to save money on whatever they can, but the intense competition that has resulted from deregulation tends to militate against a cutback on the promotion side," and Alfred Norling, an airline analyst with Kidder, Peabody & Co.

A greater intangible than the size of ad budgets, however, is their target, and here airline marketers differ on the most productive audience for their messages. On the one hand, leisure travelers are traditionally viewed as more likely victims of a recession than business fliers. And yet, airline research also shows that it takes more advertising to switch a business flier from one airline to another than to convert a vacationer.

"I think airlines are going to rediscover the business flier," said William Dowse, vp-advertising, Eastern Airlines. "The business segment has not been as well covered as it might have been."

American Airlines, National and TWA, in seeming agreement with Mr. Dowse, are devoting substantial portions of their ad budgets to boast of improved airport service.

Airports are the most visible example of the chaos and confusion resulting from route aggrandizement. Unlike last year's abortive attempt at a separate business class on airplanes, airplanes are also the area of operations where improvement is most feasible. #

last minute news

J&J going into test with Sure & Natural

HILLTOWN, N.J.—J&J's Personal Products Co. is moving into Florida with new Sure & Natural feminine napkins, the "super slim" napkin expected to hit the U.S. following earlier introduction in Europe (AA, Sept. 17). Product will be on retail shelves in about three weeks, with a multimedia ad campaign to start in December. Agency is Cadwell Davis Savage. Sources believe the Sure & Natural name will aggravate the company's legal battle with Procter & Gamble, which sued J&J claiming Assure tampons infringe on its Sure brand (AA, March 5).

'Esquire' plan: Ad money returned for clutter

NEW YORK—*Esquire* is offering a two-pronged, no-clutter guarantee whereby an advertiser doesn't pay if his full-page ad faces another page ad, or if the over-all editorial ratio dips below 57%. The men's magazine, acquired by 13-30 Corp. six months ago and converted from fortnightly to monthly, plans to drop all regional and metro editions and may drop Magazine Network, publisher Christopher Whittle said.

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Housewares soc
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Magazines primed for audit battle at ABC

By BERNICE KANNER

NEW YORK—A contingent of publishing execs calling for audits of magazine demographic editions and renewal rates may ignite some sparks at the annual Audit Bureau of Circulations meeting.

At the meet in New Orleans this week, *Scientific American* and others will "make noise to smoke this thing out," vowed vp-ad director John Kirby.

This "thing," shrouded in controversy, first surfaced in 1976 when *SA*, *The New Yorker* and *Business Week* fought to have demographic editions of the newsweeklies, against which they compete, audited.

At the same time, they sought to have voluntary disclosure of renewal percentages made mandatory. Currently, only these publications, plus *National Geographic* and *Reader's Digest*, voluntarily disclose renewal information.

The brouhaha resulting from this year's disparate, and some say suspect, syndicated magazine research reports, plus the fact that two of the three magazine seats on the 33-member ABC board are up for election, seem to have fanned the fiery issue.

But so far, none of the candidates seeking election have made it an issue. They include incumbent Jim Narbor, from Meredith Corp.; Mary Zogott, *New York*; Larry Crutcher and William Deyoe of Time Inc. and *Golf Digest*, respectively. They are vying for the post made vacant by the retirement of *Newsweek's* F. E. Davis. William Campbell, Hearst Magazine circulation director, retains the seat he won in last year's election. A term runs for two years.

What peeves *SA* publisher Gerald Piel is that the first ABC publishers statement in 1948 requested 42 lines of publisher responses. Now it's 18, a drop which "hides significant tests of quality from the media buyer. Major magazine circulations are sold without any audit whatever by ABC on its time-honored standards of either quantity or quality," just "claims of economic identity and social status for subscriptions not submitted" to audit, he charged.

Furthermore, after a one-time full audit of *Time B* and *Newsweek Executive* issues, neither has since "responded to the telltale questions about price, channel and duration of subscription sales," he said.

The reasons, according to the publications gored, have to do with money and propriety.

"We don't feel it's proper to show," said Joseph Acerno, vp-circulation director, *Newsweek*. "You're talking about 125 pink sheets for us. You're talking about megabucks here." Mr. Acerno estimated auditing each edition would cost *Newsweek* at least $100,000.

"I'm not so sure this has value to advertisers. You can extrapolate renewal rates by looking at historical trends, but it's really a moot question," he continued, noting other indicators, such as arrears, show how a magazine is doing. In the 1976 audit "we proved and showed there was no hype in our numbers and that everything that was intimated was untrue. We got a clean bill of health from ABC and don't see any reason to go through it again."

Mr. Acerno's words were echoed by Ted Emery, assistant to corporate circulation director, *Time*, who called Mr. Piel's posture "grandstanding. Disclosing renewal rates doesn't make any sense because it's bound to be inaccurate, and how can you compare apples to oranges? *Seventeen* or *Bride's* has, by nature, a different turnover rate than *Forbes*," he said.

"If a renewal race were set off, everyone would be tearing hair out," trying "to artificially boost re-

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Sugarman ad takes on FTC

CHICAGO—Direct marketer Joseph Sugarman will take on the federal bureaucracy this week in newspaper ads that claim the Federal Trade Commission is trying to blackmail his company into paying a $100,000 fine.

In page ads scheduled to appear in Tuesday's *Wall Street Journal* and *Washington Post*, Mr. Sugarman details the legal battle he has been waging with the FTC since last winter and urges consumers and elected officials to push for new laws that would strip bureaucrats of their power and return it "to Congress and the people."

■ Mr. Sugarman, president of JS&A Group Inc., a Northbrook, Ill.-based direct marketer of consumer electronics, claims the FTC slapped a $100,000 fine on the company because it failed to abide by an FTC rule that forces direct mailers to ship their products within 30 days of receiving a consumer's check. However, he notes, the FTC knew the violation occurred because of a computer breakdown and that eventually all the parcels were shipped.

After refusing to pay the penalty, the ad says, JS&A received a subpoena requesting documents requiring "months to gather," "designed to harass or force us to accept their original $100,000 request," a move that Mr. Sugarman said, "sounds like blackmail."

"Federal regulation and the whims of a few career-building bureaucrats is costing taxpayers millions, destroying our free enterprise system, affecting our productivity as a nation and as a result is lowering everybody's standard of living," he writes in the ad.

He adds that he intends to run similar ads "in hundreds of magazines and newspapers during the coming months." #

Vowing to fight "blackmail" by the FTC, direct marketer Joseph Sugarman fires the opening shots this week with newspaper ads, while promising more in the future.

Vittorini marches over to 'Parade'

By BERNICE KANNER

NEW YORK—Fourteen months after Carlo Vittorini jumped ship as Charter Publishing Co. president to carve a U.S. magazine empire for Harlequin Enterprises, he's taken another leap. This time it's to Parade Publications, where he'll be president-chief executive officer.

The 50-year-old magazine luminary succeeds Thomas H. Ferguson, who takes over the long-vacant post of president, *Washington Post*. *(See related story on Page 102.)*

Mr. Vittorini, who cut his teeth on the original *Look*, *Farm Journal* and the *Saturday Evening Post* and sharpened them during 13 years at Charter, takes over what is billed as the world's largest circulating publication at a time when it is experiencing solid growth. The Sunday newspaper magazine, distributed by 129 Sunday newspapers with a total circulation of 21,500,000, is expected to rack up more than $140,000,000 in ad revenues this year. Last year the weekly took in just over $121,000,000, 17% more than it did in 1977.

■ *Parade* strengthened its sales force last year by adding Garey T. Symington as vp-ad sales (AA, Oct. 2, '78) and promoted Matthew Carr to vp-marketing. Mr. Symington had been ad director at *Us*; Mr. Carr was *Parade's* director of planning.

Equipped with a fat corporate purse, Mr. Vittorini, who has gained the reputation of a stern and capable leader, laid the foundation for a Harlequin magazine group. His first buys were Laufer Co., the Los Angeles publisher of *Tiger Beat*, a monthly for teens, and Rona Barrett Publications, a monthly for tv fans.

C. Vittorini

In November, he bought *Texas Woman*, an about-to-be-born entertainment and cultural monthly for women of the Lone Star state. In May, he put together a joint venture with American Baby Inc. to publish *Weight Watchers*. In June, he negotiated for a majority position in *Photo Life*, a three-year-old Toronto-based monthly earmarked for U.S. distribution soon, and in July he announced that Harlequin had bought a 49% interest in *Artnews* and a 60% interest in *Antiques World*.

Why then, after just over a year, has Mr. Vittorini, a man easily recognized by his silvery crew cut—the same hairstyle he has worn for nearly two decades—moved on?

■ "It's not easy to leave here," Mr. Vittorini acknowledged. "Things were just starting to pull together. But *Parade* is the single biggest print medium, Newhouse is a unique company, and the job will allow me to get back into the marketing end of things." Newhouse Newspapers purchased Parade in

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highlights

Monday, November 5, 1979

Dr Pepper suffers a sales slump, but increases its ad budget. *See Page 4.*

Pepsi runs its biggest promotion ever in a tie-in with Walt Disney Productions and other marketers. *See Page 4.*

New York Telephone may not print a 1980 Yellow Pages for the borough of Manhattan. *See Page 6.*

Yellow Pages sales groups report growth despite legal challenges. *See Page 6.*

Alvin Hampel abandons the creative helm of Benton & Bowles, a post he held for 10 years. *See Page 10.*

Patricia Bailey officially became the fifth FTC commissioner. *See Page 12.*

Nabisco has sold off its last German subsidiary. *See Page 18.*

Adman Richard O'Connor talks about advertising of advertising. *See Page 24.*

New marketing direction for body massagers is taken in anticipation of expected volume surge. *See Page 30.*

Bali Co. puts its bras on tv as part of an effort to build volume and increase market share. *See Page 34.*

Harte-Hanks Communications executives say it will continue to pursue the diversified communications path in the 1980s. *See Page 34.*

French wines, battered in the U.S. market by less expensive imports, are taking to tv to promote less exalted vintages. *See Page 38.*

Viacom Enterprises, New York, plans increased involvement in the home video market via cartoons, movies and "how-to" shows. *See Page 43.*

Magnavox' bullish outlook for the home video market and Sony's industrial-market videodisc prototype were among the highlights of the ITA video conference in New York. *See Page 52.*

RKO Radio Network signs its first batch of sponsors. *See Page 54.*

Purity Mills is introducing a new popcorn in single-serving foil pouches. *See Page 54.*

British ads show less constraint than their American counterparts, says Bill Tyler, and he presents his choice of the ten best of Britain. *See Page 59.*

T.V. Byor warns against commercials that make a splash but whose effect is short-lived. *See Page 59.*

Volney Palmer answers questions about 16mm vs. 35mm film advertising shipped off to the European office. *See Page 62.*

Gene Mahany updates marketers on efforts to promote goods to money-strapped consumers. *See Page 64.*

Paul Haagh says the best way to gain new product use is through sampling. *See Page 64.*

Fewer commercials in prime time movies of a Los Angeles tv station attract larger audiences. *See Page 66.*

Drexel Burnham Lambert analysis sees somewhat slower revenue growth for regular tv as newer video forms proliferate. *See Page 70.*

A delay in the U.S. House allows for maneuvering on FTC's funeral sales rule. *See Page 99.*

Thomas H. Ferguson was named general manager and president at the *Washington Post* on the same day that the rival *Washington Star* pitched itself to the New York advertising community. *See Page 102.*

Benton & Bowles completes its acquisition of Hawkins, McCain & Blumenthal. *See Page 102.*

Fragrance Foundation members were told to be wary of stereotypes and market research in communicating to the woman of the '80s. *See Page 103.*

Section 2/Health Care

Health care services have turned to marketing techniques more and more in recent years. Section 2/Health Care Marketing looks at this development and other aspects of the industry—beginning opposite Page 54.

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Vol. 50, No. 47—Advertising Age (ISSN-0001-8899) is published weekly except semiweekly the second week in March, the first week in September and the third week in December at 740 N. Rush St., Chicago, Ill. 60611. Second class postage paid at additional mailing offices.

Advertising Age/Section 2

NOVEMBER 5, 1979

HEALTH CARE MARKETING

'From mom and pop to supermarkets'

Health services discover marketing

BY JEFF DeBRAY

NEW YORK—The health care services business has mushroomed in the past 25 years and, increasingly, the companies that attend to such needs have turned to advertising to enhance their positions and boost revenues.

So-called hospital management companies have come into their own since the 1950s mainly as a result of skyrocketing hospital costs, due largely to ever more sophisticated and expensive technology.

These investor-owned concerns provide a plethora of services, from the most basic, such as inventory planning, to financing, design and administration.

"Hospitals have gone from mom and pop shops to major supermarkets," says Joan Webb of Webb & Silberg, a Los Angeles-based agency that handles corporate advertising for American Medical International, the No. 3 company in the hospital management field.

■ Traditionally, religious groups, universities, groups of doctors, nonprofit organizations and governments have dominated the hospital field. All that is changing.

The largest of the hospital management concerns are listed on the New York Stock Exchange and are expanding nationally and internationally, but the field is peppered with smaller concerns, such as the New York-based American Practice Management, which offers a smaller range of services in this expanding and highly profitable field.

Humana Inc., founded in 1961, is the largest provider of health care services. This Louisville-based concern expects to post revenue for fiscal 1979 ended Aug. 31 of about $1.1 billion, marking the first time any hospital company has attained the billion-dollar level.

Jeff DeBray is a free lance writer based in New York.

Stop the epidemic

Eye-catching graphics lead reader into body copy in this ad promoting Reed & Carnrick's Kwell as an effective way to diagnose and treat the disease of scabies.

"Our goal is to provide top quality hospital care at reasonable cost," says Humana's communications manager, Brenda Bryant. In 1978, Humana acquired American MediCorp., another hospital-management concern that is expected to contribute significantly to earnings in fiscal 1980, according to Humana's chairman and chief executive officer, David A. Jones.

Humana owns 92 hospitals in 23 states and in England. Three years ago, the company retained its first major agency, Eisaman, Johns & Laws of New York. Charlie Tepele, director of communications for Humana, says that most ads are designed to attract potential investors and are placed in such financial publications as *Barrons, Forbes* and the *Wall Street Journal*.

One of Humana's top rivals is American Medical International, Beverly Hills, which expects to post fiscal 1979 revenues of more than $500,000,000—up from fiscal 1978 revenues of $419,182,000 and fiscal 1977 revenues of $341,274,000.

AMI has more than 14,000 health care professionals in over 400 communities on five continents. It owns 45 hospitals in the U.S. and manages or is developing an additional four. Worldwide, AMI owns six hospitals and manages or is developing ten more.

Formed in 1956, AMI is "the most diverse and has the most international capabilities," says Ruth Gallatzer, assistant vp. Webb & Silberg has mounted an aggressive marketing campaign for AMI, with ads in such outlets as *Business Week, Dun's Review, Money, Nation's Business, Newsweek, Sports Illustrated, Time, U.S. News & World Report, State & County Administrator, Modern Healthcare, Institutional Investor, Fortune* and the *International Herald Tribune*.

■ "Our corporate identity campaign for AMI was the first such campaign for a health care services company that addressed market places outside of the industry itself," says Ms. Webb, who's been handling the account for about three years. Webb & Silberg has divided the markets for AMI into seven categories: Community, government, physicians, hospitals, the general business community and the international business and government communities.

"The way AMI has made it so big is by going international," says Ms. Webb, who refused to disclose AMI's ad budget.

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Drug companies weather recession

BY DAVID SAKS

NEW YORK—Now that leading economic indicators suggest a recession for the domestic economy, it's important to consider the impact of such an economic climate on the $13 billion U.S. drug industry. In each of the past four recessions (1961, 1967, 1970 and 1975) the industry's profit growth decelerated to an average rate of approximately 5% growth. Depending upon the severity of the recession, U.S. corporate profits in general declined from 5% to 15% during these same intervals. Thus, while the drug industry is not recession proof, it has demonstrated an ability to prosper moderately during tough economic periods.

In the past, profit growth at Syntex and Upjohn has shown the greatest sensitivity to recession. Syntex showed two down years coincident with recession while Upjohn had two down years and a single flat one.

Somewhat less vulnerable were Merck, Pfizer and Warner-Lambert, for each registered only one year of down earnings coincident with recession. American Home, Johnson & Johnson and Schering-Plough, on the other hand, showed excellent performance during each recession.

During the projected recession, the drug industry will record exceptionally strong earnings progress compared to a decline for corporate profits. In 1979, the profit gains for drug companies are expected to average 18% above 1978 levels, *vs.* 10% growth projected for U.S. corporations.

Unlike past recessions, the drug industry's underlying fundamentals appear to be sufficiently strong—so that each company in the core group is expected to record positive earnings comparisons. Dividends for the drug group probably will grow in line with earnings whereas the payout ratio had contracted during the past four recessions.

Several fundamental changes have occurred in the drug industry environment since the 1975 recession. The changes relate to five factors:

- Research productivity—Each major drug company has at least one soon-to-be-introduced drug that has worldwide sales potential in the range of $100,000,000 to $500,000,000 per year.
- Relative size of drug operations—In most companies, these segments have increased in recent years, reversing the prior diversification trend. In the current environment, this should aid profit comparisons.
- Government activities—Regulatory enforcement powers on safety, efficacy and testing requirements for new and existing drugs are being streamlined and made more

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David Saks is vp-research for Wertheim & Co.

Strong underlying fundamentals

Drug companies weather recession

(Continued from Page S-1)
constructive. Congressional pressures are now aimed at stimulating drug innovation and expanding availability to medical care, whereas in the past such pressures were exerted to constrain innovation and profitability.

• Demographics—The increasing number of elderly and newborns together (representing a substantial percentage of the population), with constantly expanding health insurance coverage, should minimize economically motivated cutbacks.

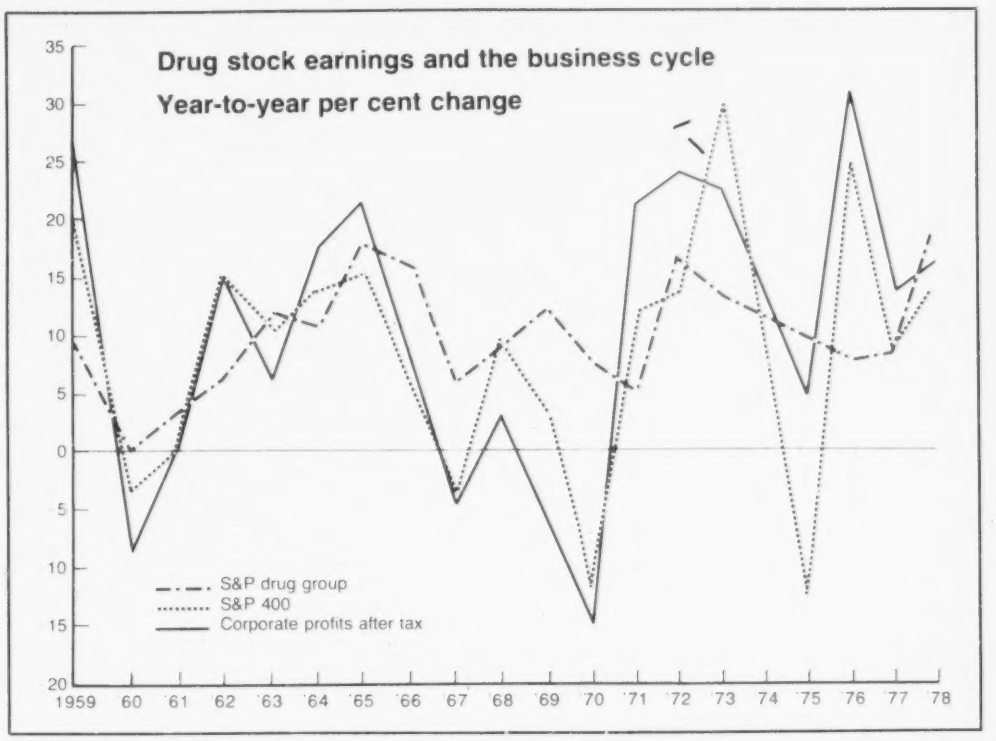
Older people tend to spend considerably more on medical care than any other group (except for newborn babies) and their numbers are increasing substantially within the total population. There are some 35,000,000 Americans over 60 and about half suffer some chronic disease. Drugs for the geriatric market (such as Tagamet, Aldomet, Dyazide, Clinoril) have high refill rates and represent repeat purchase for many years.

• Pricing strategies—Individual products such as newly approved prescription specialties are commanding substantial premiums, sometimes 50% to 100% above established, patented products. Drug companies also have been "price aggressive" on established brands.

Recent major successes include SmithKline's Tagamet and Merck's antiarthritic agent, Clinoril. Other successful new launches are Lilly's Mandol and Nebcin; American Home's Ativan; Merck's Timoptic and Mefoxin; Pfizer's Minipress and Syntex's Naprosyn.

Potential market winners over the next couple of years include Lilly's Ceclor; Merck's Dolobid; Pfizer's Feldene; Schering's Netilmicin; Searle's Aspertame; Squibb's Corgard; Syntex's Anaprox, Upjohn's Halcion and Sterling's Amrinone. Over the longer term the clinical studies now progressing on antivirals, immunosuppressants, prostaglandins and recombinant DNA betalactam inhibitors and enzymes could dramatically affect the sales.

Lastly, earnings generated from the pharmaceutical sources are dependent upon the sale of proprietary (usually patented) products rather than on the extraction of natural resources or the intense use of physical plant and labor, all of which could be subject to unexpected problems, particularly during a recession. Yet almost all drug companies also are financially cushioned and benefit from the unusual strong financial condition and high levels of profit returns. #



Top marketers spend $540,000,000

BY NANCY GIGES

NEW YORK—The 25 largest national medical advertisers invested more than $540,000,000 in medical journals, direct mail and detailing in 1978.

These companies sold an estimated $10.3 billion worth of drugs, devices, diagnostics and other nonconsumer health care supplies last year in this country. Where U.S. figures were not broken out by the companies, they were estimated by ADVERTISING AGE.

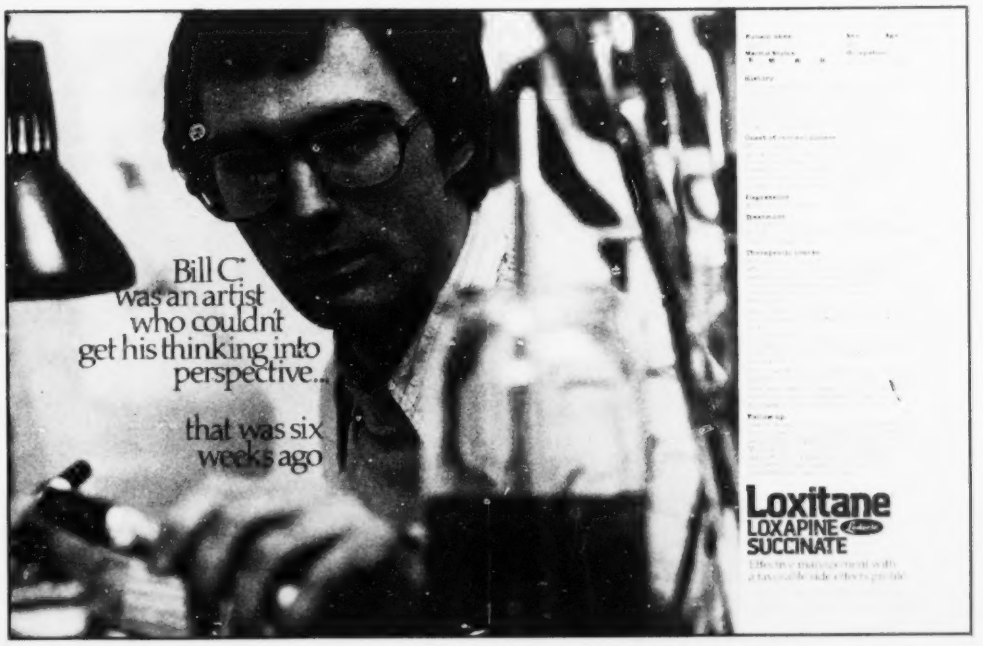
The amount of money spent in journals, mail and detailing is estimated to account for at least 60% of the total promotional budgets of these companies. Unlike in the consumer field, these companies included spending for activities such as symposia, conventions, sampling and a variety of educational programs in their promotional budgets. Spending for all these activities is not included in AA's estimates.

▪ The top 25 companies were selected on the basis of their journal ad spending, according to figures published by *Perspectives*. Ad spending in all three areas was then estimated by AA from responses to a questionnaire mailed to the companies and from other statistical data. The companies were then ranked according to that spending figure.

Of the 25, a total of 12 ranked among the top 100 leading advertisers in the U.S. because of their consumer businesses and are profiled in greater detail in AA's 100 Leading National Advertisers issue (AA, Sept. 6).

American Home Products, which has three major health care subsidiaries, Ayerst, Wyeth and Ives Laboratories, topped the list with an ad spending of $50,000,000. Swiss-based Ciba-Geigy was No. 2 with $45,000,000 in spending, followed by another Swiss company, Hoffmann-La Roche, which invested $35,000,000. Roche, unlike any of the other companies, devoted half of its budget to journal advertising, making it the biggest journal spender of the group.

According to *Perspectives*, the big news in journal advertising in 1978 was Pfizer, which boosted its spending more than three-fold in two years. McNeil, a Johnson & Johnson subsidiary, also showed a considerable increase, as did Syntex. The most widely promoted therapeutic class of drugs in journals in 1978 was tranquilizers, followed by antihypertensives, antiarthritics, broad and medium spectrum antibiotics and psychostimulants, *Perspectives* reported.



American Cyanamid's Lederle division uses journal ads to promote medication for mental illness.

Abbott Laboratories

U.S. Sales $840,000,000
Advertising $20,000,000

Abbott Laboratories, North Chicago, Ill., tied as the nation's 13th largest medical advertiser, invested $20,000,000 in 1978 to promote its professional pharmaceuticals and nutritional, hospital and laboratory products.

Of the total, an estimated 75% went into detailing, 19% into journals and 6% into direct mail. During 1978, Abbott introduced Depakene, described as a major advance in anticonvulsant therapy, and Abbokinase, a drug given intravenously to dissolve clots in the lungs, eliminating the need for surgery in some patients.

Abbott's major established drugs include Erythrocin, the second most frequently prescribed brand-name antibiotic in the world; Tranxene, a mild tranquilizer, and Enduron and Enduronyl antihypertensives. Erythrocin was given a boost in recent years as an effective treatment for legionnaire's disease.

Abbott's U.S. health care products sales are divided almost equally between professional pharmaceutical/nutritional products and hospital/lab products. Of the latter, major products include the Aminosyn line of protein i.v. solutions, LifeCare i.v. pumps, Butterfly winged infusion sets and Abbocath-T catheters.

During 1978, Abbott began marketing Hydron burn bandage, a synthetic bandage used to treat severe burns. Among diagnostics, Abbott created the hepatitis testing market with Ausria, Auscell and Ausab. The company is also a leader in thyroid diagnostics, and during 1978, it introduced Triobead and Thyroscreen to maintain that leadership.

Abbott also markets diagnostic instruments and its ABA bichromatic analyzer line is believed to be used more than any other single-channel chemistry analyzer. Most recently, Abbott introduced MS-2, an automated microbiology system that indicates which antibiotic will most effectively combat infection, and ADC-500 differential cell counter, which will reduce the cost of running a white-cell differential count in a typical large hospital by more than 25%.

American Cyanamid Co.

U.S. Sales $363,922,000
Advertising $18,000,000

American Cyanamid Co., Wayne, N.J., tied as the nation's 15th largest medical advertiser, invested $18,000,000 in 1978 to promote its pharmaceutical and professional products.

Of the total, an estimated 75% went into detailing, 19% into journals and 6% into direct mail. During 1978, the company introduced Centrum, a multivitamin, multimineral supplement.

Major pharmaceuticals include Minocin minocycline, an antibiotic, and Orimune, a polio vaccine.

(Continued on Page S-4)

Health care advertisers

(Continued from Page S-2)

Another major product is Dexon, the first synthetic absorbable suture.

In addition, sales of American Cyanamid's standard products, which are dispensed and developed by the Lederle Laboratories division, were up during the year.

The company has said that its major efforts in the medical business will be concentrated on therapy advances through its research.

American Home Products

U.S. Sales $860,883,000
Advertising $50,000,000

American Home Products, New York, is the nation's largest medical advertiser, with 1978 ad expenditures of $50,000,000.

Of the total, 67% was spent on detailing, 30% went into journal advertising and 3% purchased direct mail. In 1978, Wyeth introduced Simeco, an antacid containing simethicone, in the U.S. and two antibiotics: Wymox, a penicillin, and Wyamycin liquid, a nonpenicillin antibiotic for infectious conditions. Ayerst introduced Riopan Plus chew tablets, a companion product for Riopan Plus antacid, which combines magaldrate and simethicone.

Ives Laboratories, a subsidiary, reported record sales in cardiovascular and analgesic markets as Isordil, reportedly the leading product in the coronary nitrate market, continued to increase its market share. Corometrics Medical Systems, which also recorded a record sales volume, is a leading producer of fetal monitoring instruments and accessories.

Boehringer Ingelheim Ltd.

U.S. Sales $82 000,000
Advertising $10,000,000

Boehringer Ingelheim Ltd., Ridgefield, Conn., the 23rd largest medical advertiser in the U.S., invested $10,000,000 in advertising in 1978.

Of the total, 69% went into detailing, 23% into journals and 8% to direct mail. Affiliated with Boehringer Ingelheim GmbH, Ingelheim on the Rhine, West Germany, the company was established in this country in 1971. Earlier, from 1956 to 1962, three of its well known products—Preludin appetite suppressant, Dulcolax laxative and Persantine coronary vasodilator—were licensed to the Geigy Corp. in the U.S.

Since 1971, sales have grown to $82,000,000; the sales force exceeds 450 people. The company's biggest drug in the U.S. is Persantine. Other major products are Alupent, a bronchodilator; Catapress, an antihypertensive, and Combipress, an antihypertensive including a diuretic.

Bristol-Myers

U.S. Sales $584,298,000
Advertising $20,000,000

Bristol-Myers, New York, tied as the nation's 13th largest medical advertiser, invested $20,000,000 in 1978 to promote its professional and pharmaceutical products.

Of the total, an estimated 71% went into detailing, 24% into journals and 5% into direct mail.

In 1978, Bristol Laboratories introduced Platinol and Lysodren, additions to its line of anticancer products. Bristol-Myers is considered one of the leaders in this field. The laboratories division also continued its development of antibiotics.

Major products in this line are Amikin, a molecular engineered aminoglycoside, and Cefadyl, an injectable cephalosporin. Other major products are Tegopen and Prostaphlin, two antistaph penicillins, as well as Salutensin, an antihypertensive agent, and Naldecon, an antihistamine and decongestant.

Bristol-Myers' Mead Johnson & Co. is a major producer of infant formulas, adult nutritional products, pediatric vitamins and pharmaceuticals. Among pharmaceuticals, Mead Johnson produces Cytoxan and Megace, both anticancer drugs. Other products include Vasodilan, used for vascular disorders; K-Lyte, a potassium supplement; Colace and Peri-Colace, both anticonstipants; Quibron, a bronchodilator, and Ovcon, an oral contraceptive. During the year, Duricef, an oral cephalosporin for urinary tract infections, became Mead Johnson's first antibiotic.

Unitek Corp., Bristol-Myers newest subsidiary, produces orthodontic and dental materials. Considered important products are brackets and buccal tubes for the "Twin Torque" technique and Dyna-Bond bases for the direct bonding of attachments to tooth surfaces.

Zimmer USA manufactures and distributes orthopedic, surgical and hospital equipment, as well as patient care products. In 1978, Zimmer introduced the Micro-Grain Zimaloy, a high strength implant alloy, for use in the TR-28 and Muller type total hip replacement systems. Other products include the Geo-Patella and the Multi-Radius, which complement the division's line of total knee replacement systems. The Key-Free compression hip screw and the Haig nail are innovations in the treatment of hip fractures.

Westwood Pharmaceuticals, which produces and markets dermatological products, saw its Keri lotion and Alpha Keri bath oil adopted for use in many hospitals as therapeutic moisturizers. In addition, Westcort cream, a topical steroid, was introduced in 1978. It is used to relieve inflammatory symptoms that result from contact dermatitis, eczema and psoriasis. Other prescription products include Capitrol cream shampoo, Halotex cream and solution for fungal skin infections and Tacaryl tablets and syrup, used to relieve itching caused by certain allergies.

Burroughs Wellcome Co.

U.S. Sales $200,000,000
Advertising $20,200,000

Burroughs Wellcome Co., Research Triangle Park, N.C., the nation's 12th largest medical advertiser, invested $20,200,000 to promote its drugs in 1978.

Of the total, an estimated 65% went into detailing, 30% into journal advertising and 5% into direct mail. A wholly owned subsidiary of the Wellcome Foundation Ltd., London, the company has a detail staff of more than 550 representatives. Although some of the company's drugs are sold without prescription, Burroughs maintains an ethical image for all its products, including Empirin analgesic, Neosporin ointment for topical infections, Marezine for motion sickness and Sudafed for nasal congestion.

Ciba-Geigy Corp.

U.S. Sales $225,000,000
Advertising $45,000,000

Ciba-Geigy Corp., Summit, N.J., the second largest U.S. medical advertiser, invested $45,000,000 to promote its pharmaceuticals in 1978.

Of the total, 68% went into detailing, 20% into journals and 12% into direct mail. Worldwide, Ciba-Geigy claims to be the fourth largest pharmaceutical company, with sales of $1.5 billion in 1978. The company reported that it spent close to $30,000,000 in research and development last year for its U.S. operations.

During 1978, the company introduced Lopressor, the first beta-blocking agent approved for medical use in the U.S. in over a decade. The company believes this drug, used for the treatment of high blood pressure, has the potential of becoming the No. 1 product in the Geigy line. Also last year, Ciba took over distribution and marketing of Ocusert ocular therapeutic system, manufactured by Alza Corp. The system is used in conjunction with a drug for treatment of glaucoma.

Other major drugs marketed by Ciba-Geigy include Serapes for treatment of hypertension, Rimactane for tuberculosis, Tofranil for mental depression, Brethine for bronchial asthma, Lioresal for muscle spasticity, Ritalin for minimal brain dysfunction, Butazolidin for rheumatoid arthritis and gout, Tandearil for rheumatoid arthritis, Slow-K for potassium deficiency, Tegretol for epilepsy and Privine and Otrivin for nasal congestion.

DuPont Co. (Endo Laboratories)

U.S. Sales $75,000,000
Advertising $8,000,000

DuPont Co.'s Endo Laboratories, Garden City, N.Y., the nation's 24th largest medical advertiser, invested $8,000,000 to advertise its medical products in 1978.

Of the total, 66% went into detailing, 21% into journals and 13% into direct mail.

Endo Labs sells more than 12 prescription drugs, including Percodan narcotic analgesic, Coumadin anticoagulant, Narcan narcotic antagonist and Symmetrel flu vaccine. Its most recent introduction, which came in the summer, was for a new injectable analgesic called Nubain. The drug is touted as an advance because it has the analge-

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sic potency of morphine with a low incidence of side effects and low potential for abuse.

Other medical products marketed by DuPont include Cronex X-ray films, an automatic clinical analyzer that can make dozens of clinical tests, centrifuges used in blood banks and microtomes, which help prepare tissue for analysis.

Hoffmann-LaRoche

U.S. Sales $750,000,000
Advertising $35,000,000

Hoffmann-La Roche, Nutley, N.J., the third largest medical advertiser in the U.S., invested $35,000,000 in 1978 to promote its medical products.

Roche invested half of the total in journal advertising, 32% in detailing and 18% in direct mail advertising. The company, a subsidiary of F. Hoffmann-LaRoche & Co., Basle, Switzerland, is the largest non-U.S. based pharmaceutical marketer.

The company's Valium tranquilizer is the largest selling drug in the world, with sales estimated at $600,000,000. In the U.S., Valium and another Roche tranquilizer account for about $350,000,000 in sales annually. Other major Roche drugs include Dalmane, a sleeping aid, which accounts for about $50,000,000 in U.S. sales annually, and Librax, a stomach relaxer, which accounts for $40,000,000.

Although Roche does not market any branded vitamins, it is the leading U.S. supplier of vitamin ingredients to marketers. The company is also the leading U.S. spender in medical journals, and unlike other health care companies devotes a significant portion of its budget to this medium.

ICI Americas (Stuart Pharmaceuticals)

U.S. Sales $97,000,000
Advertising $22,000,000

Stuart Pharmaceuticals division of ICI Americas, Wilmington, Del., the nation's 11th largest medical advertiser, invested $22,000,000 to promote its drugs in 1978.

Of the total, an estimated 49% went into detailing, 10% into journal advertising, 9% into direct mail, 4% into educational programs and 28% into others. During 1978, the company introduced Nolvadex, an anti-estrogen for the palliative treatment of advanced breast cancer; Kasof, a high-strength stool softener, and Alternagel, a high-potency aluminum hydroxide antacid. Stuart's other major products include Mylanta antacid and Sorbitrate anti-anginal.

Johnson & Johnson

U.S. Sales $935,000,000
Advertising $25,000,000

Johnson & Johnson, New Brunswick, N.J., the nation's seventh largest medical advertiser, invested $25,000,000 in 1978 to promote its professional and pharmaceutical products.

Of the total, an estimated 75% went into detailing, 20% into journals and 5% into direct mail.

During 1978, J&J introduced its first product from the professional products division of the Baby Products Co. The drug, Pancrease, is used to treat pancreatic enzyme deficiency. Its leading pharmaceuticals include Ortho-Novum oral contraceptive; Retin-A acne treatment; Haldol, a neuroleptic used in mental illness, and Tylenol with codeine pain reliever. Other recent introductions include Imodium, an antidiarrheal; Tolectin, an anti-arthritic, and Vermox antiworm tablets. The company holds about 4% of the $8.5 billion domestic pharmaceutical market.

J&J's professional products include ligatures, sutures, diagnostics, dental products, surgical dressings, instruments and other surgical specialties. Recent introductions include Ethibond sutures, Micro-Touch surgeon's gloves and Proximate disposable skin stapler.

J&J holds more than 70% of the suture market, but its share has been declining in recent years with growing competition from American Cyanamid. The company also holds 35% of the disposable linen market and 10% of the domestic diagnostics market.

Eli Lilly & Co.

U.S. Sales $650,000,000
Advertising $23,000,000

Eli Lilly & Co., Indianapolis, tied as the nation's eighth largest medical advertiser, invested $23,000,000 in advertising in 1978.

Of the total, 82% went into detailing and the remainder into journal advertising. Lilly is the leading marketer of cephalosporins, a segment of the antibiotic market, in the U.S. The company introduced the first injectable cephalosporin, Keflin, in 1964, and it remains the market leader, with about one-third of the nearly $300,000,000 domestic market. Keflex, an oral cephalosporin, holds about 40%, and two other less important (in sales) drugs, Loridine and Kafocin, hold small shares.

Last year Lilly introduced another major cephalosporin, Mandol, which is expected to surpass Keflin within another several years. Another oral, cefaclor, is awaiting FDA approval and has yet to receive a brand name. Lilly also markets another antibiotic, Nebcin, which competes in the more toxic aminoglycoside segment.

Darvon, Lilly's nonnarcotic pain killer, accounts for about $70,000,000 in sales worldwide. At one time, it was the third most prescribed drug in the U.S. The company also sells insulin and the Salk antipolio vaccine.

Recently, Lilly has diversified into the anti-inflammatory market

(Continued on Page S 6)

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Health care advertisers

(Continued from Page S-5)
with Nalfon and in the cardiovascular area with Dobutrex, an injectable for treating strokes.

Merck & Co.

U.S. Sales $770,000,000
Advertising $30,000,000

Merck & Co., Rahway, N.J., the nation's fifth largest medical advertiser, invested $30,000,000 in advertising in 1978.

Of the total, 64% went into detailing, 32% into journals and 4% into direct mail.

Known as an innovator in the drug industry, Merck reportedly maintains the largest research and development budget in the industry. The r&d figure for 1978 approaches 8% of the company's sales.

In 1978, Merck introduced Timoptic, the first beta-blocker for treatment of glaucoma; Clinoril, a nonsteroidal antiarthritic that reduces the chance of gastrointestinal side effects in such treatments, and Mefoxin, a new type of antibiotic effective against a particularly resistant strain of bacteria.

Pfizer Inc.

U.S. Sales $524,480,000
Advertising $32,000,000

Pfizer Inc., New York, is the nation's fourth largest medical advertiser, with 1978 outlays of $32,000,000.

Of the total, about 72% went into detailing, 24% into journals and 4% into direct mail.

In the U.S., pharmaceutical revenues rose 12% in 1978. The company recorded a 57% worldwide increase in the sale of cardiovascular medicines, outperforming 1978 sales for antibiotics (16% increase), psychotherapeutics (13%), antidiabetic agents (20%) and antiparasitic agents (19%).

Pfizer owns Howmedica Inc., producer of hospital products such as bone and joint prostheses; Shiley Inc., which manufactures and markets heart valves and was added to Pfizer as a subsidiary on March 8; Pfizer Medical Systems, which manufactures and markets computerized tomographic scanners, and Radiologic Sciences, which manufactures Microfocus X-ray systems.

New pharmaceuticals introduced in the last three years include Quantrel brand of pyrantel pamoate and oxantel pamoate; Bacacil brand of bacampicillin, an injectable form of penicillin, and Coptin brand of cotrimazine.

Revlon Inc.

U.S. Sales $110,000,000
Advertising $11,000,000

Revlon Inc., New York, the 22nd largest U.S. medical advertiser, invested $11,000,000 in 1978 to promote its pharmaceuticals and other health care products to professionals.

Of the total, 78% went into detailing, 22% into journals. According to Revlon, its ethical pharmaceutical sales rate outpaced the industry's to establish a new record. Hygroton, a leading diuretic antihypertensive, had an especially good year. Since 1974, sales of this drug have tripled. In 1978, Hygroton 25, a lower dose form, was introduced. Another antihypertensive, Regroton, also showed a rise in new prescriptions last year.

The Armour Pharmaceuticals division, acquired in 1977, introduced Tussar DM, a new cough/cold remedy, and prepared to apply for a new use of Calcimar for treatment of certain bone diseases. Calcimar continues as a leading drug of choice in the treatment of Paget's disease, a chronic bone condition.

The Reheis division continued to lead the market in light metal compounds, the active ingredients in most major brands of antacids and antiperspirants.

Revlon participates in the diagnostic and research laboratories field through its National Health Laboratories, and last year it acquired American Biological Corp. Its Meloy Laboratories is a contract research organization that conducts high technology studies to determine the nature and mechanism of certain diseases. Revlon also markets ophthalmic grinding equipment, supplies for optical dispensing laboratories, prescription eyeglass lenses and other professional ophthalmic products through its Coburn Optical Industries.

Richardson-Merrell

U.S. Sales $150,000,000
Advertising $15,000,000

Richardson-Merrell, Wilton, Conn., the nation's 19th largest medical advertiser, invested $15,000,000 to promote its professional and pharmaceutical products in 1978.

Of the total, an estimated 75% went into detailing, 17% into journals and 8% into direct mail. During 1978, the company introduced Cepastat mouthwash and gargle and Cepastat lozenges.

U.S. sales were down in 1978, a condition the company attributed to its withdrawal from the vaccine business. Its entire biological vaccine operation, located in Swiftwater, Pa., was donated to the Salk Institute for Biological Studies, a nonprofit corporation based in San Diego.

Increases in '78 U.S. sales, on the other hand, were recorded for the following drugs: Tenuate, an antiobesity agent; AVC, a treatment for vaginal infections; Quinamm, used for nocturnal leg cramps; Clomid, used to induce ovulation in selective cases of infertility, and Cehulac, used to prevent and treat portal-systemic encephalopathy (a condition that results from malfunction of the liver). In addition, sales of Cepacol were reported to be well ahead of 1977 levels.

Meanwhile, Richardson-Merrell planned to resume clinical studies this fall of Aldaban, a nonsedating antihistamine. This would go along with continuing testing of Azadol, a new hypertensive agent, and Buronil, formulated to treat anxiety and confusion among the elderly.

A.H. Robins Co.

U.S. Sales $165,000,000
Advertising $17,000,000

A.H. Robins Co., Richmond, Va., the nation's 18th largest medical advertiser, invested $17,000,000 in 1978 in advertising to health care professionals.

Of the total, an estimated 70% went to detailing, 20% to journals and 10% to direct mail. Among the company's major prescription products are Dimetapp antihistamine-decongestant combination, Dimetane expectorants and Quinidex Extentabs antiarrhythmic. Its products sold to hospitals include Robinul injectable, an anticholinergic; Dopram respiratory stimulant, and Heparin, an anticoagulant.

William H. Rorer Inc.

U.S. Sales $75,000,000
Advertising $7,000,000

William H. Rorer Inc., Fort Washington, Pa., the 25th largest U.S. medical advertiser, invested $7,000,000 in advertising in 1978.

Of the total, 72% went into detailing, 18% into journals and 10% into direct mail. Although the company is considered a pharmaceutical house, the majority of its dollars are invested in the professional promotion of over-the-counter products, Maalox antacid and Aseriptin buffered aspirin. The company also markets Ananase, an enzyme, and Camalox, an antacid.

The Top 25 Leading Medical Advertisers in the U.S.

		Journal %	Mail %	Detailing %	Total (000,000 omitted)
1.	American Home Products	30	3	67	$50
2.	Ciba-Geigy	20	12	68	45
3.	Hoffmann-LaRoche	50	18	32	35
4.	Pfizer	24	4	72	32
5.	Merck	32	4	64	30
6.	Warner-Lambert	18	5	77	28
7.	Johnson & Johnson	20	5	75	25
8.	Sandoz	32	5	63	23
8.	SmithKline	22	11	67	23
8.	Lilly	18	—	82	23
11.	ICI (Stuart)*	10	9	49	22
12.	Burroughs-Wellcome	29	6	65	20
13.	Abbott	19	6	75	20
13.	Bristol-Myers	24	5	71	20
15.	American Cyanamid	19	6	75	18
15.	Schering	27	6	67	18
15.	Upjohn	20	—	80	18
18.	Robins	22	7	71	17
19.	Richardson-Merrell	17	8	75	15
20.	Searle	30	10	70	12
20.	Syntex	20	10	70	12
22.	Revlon	22	—	78	11
23.	Boehringer	23	8	69	10
24.	DuPont	21	13	66	8
25.	Rorer	18	10	72	7

*Of the total, Stuart invested 4% in educational programs and 28% in other areas.

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Hospitals turn to marketing

(Continued from Page S-1)
"The problem about being in such a field is that people think it's pretty awful to spend hospital money on advertising. Ads seem insensitive to some people," she says, adding that the job has been done "very frugally."

■ It's not only spending money on ads that makes some people wonder about hospital management concerns, but the fact that private investors are, essentially, profiting from the illness of others. President Carter's proposed hospital cost containment legislation could put a crimp on those profits, and hospital management concerns don't like that one bit.

"We don't feel this is the proper way to go," says AMI's Ms. Gallatzer. "In fact, the bill is a revenue cap. It is not cost containment. It would put hospitals on the road to rationing services," she adds.

Humana's Ms. Bryant agrees. "The legislation would amount to a rationing of services and technology," she says. The Federation of American Hospitals, based in Washington, D.C., is lobbying hard against the proposed legislation, which, if enacted, might dilute investor interest in the hospital management field.

Ms. Webb says that a much more sensible approach to the issue is adoption of a catastrophic health care bill, which would cover only major illnesses.

■ The specter of cost containment legislation hasn't dampened the industry, however, and even the smaller concerns in the field are gearing up for increased operations.

American Practice Management, which started in 1973, expects 1979 revenues to approach $5,000,000, says Jim Kagen, vp-operations.

"We've doubled our staff in the past 12 months. It's a growing field," he says. Mr. Kagen says American Practice, which doesn't own any hospitals, is "poking around" for its first major ad agency. The core of American Practice's business is its consulting efforts, although it also provides management services and implements projects.

"Hospitals depend on repeat business. We are in the business of discovering about the care patients want and helping hospitals provide that. We will stress the hospitals' strengths through advertising," he says. "It's not unlike the marketing of other consumer services, just slightly more sensitive," he adds. ■

Sandoz Pharmaceuticals

U.S. Sales $175,000,000
Advertising $23,000,000

Sandoz Pharmaceuticals, East Hanover, N.J., tied as the nation's eighth largest medical advertiser, invested $23,000,000 to promote its pharmaceuticals and those of Dorsey Laboratories, also part of Sandoz.

Of the total, 63% went into detailing, 32% into journals and 5% into direct mail. The company's biggest selling drug in the U.S. is Mellaril, a sedative that has sales of about $50,000,000 annually. The company also markets Hydergine, a cardiovascular drug. Dorsey markets the professionally promoted over-the-counter Triaminic line of cold remedies.

Schering-Plough Corp.

U.S. Sales $405,000,000
Advertising $18,000,000

Schering-Plough Corp., Kenilworth, N.J., tied as the nation's 15th largest advertiser, invested $18,000,000 in 1978 to promote its pharmaceutical and professional products.

Of the total, an estimated 67% went into detailing, 27% into journals and 6% into direct mail.

The company's major pharmaceutical products include Garamycin, an antibiotic; Coricidin and Drixoral, cold preparations; Celestone, Diprosone and Valisone, anti-inflammatory steroids; Afrin, a nasal decongestant; Fulvicin, Tinactin, Lotrimin and Gyne-Lotrimin, antifungals; Trilafon, an antihistamine; Vanceril, a prescription anti-asthmatic, and A&D hand cream, a dermatological.

G.D. Searle & Co.

U.S. Sales $450,000,000
Advertising $12,000,000

G.D. Searle & Co., Skokie, Ill., tied as the 20th largest U.S. medical advertiser, invested $12,000,000 in 1978 to promote its non-consumer medical products.

Of the total, 70% went into detailing, 30% into journals and 10% into direct mail. Worldwide, Aldactone and Aldactazide drugs for high blood pressure accounted for close to $200,000,000 in sales. Other major drugs include Norpace for treatment of irregular heartbeats, three oral contraceptives—Demulen, Enovid and Ovulen—and Flagyl for vaginal infections. Searle markets Cu-7, the most frequently prescribed intrauterine contraceptive in the U.S.

In 1978, Searle introduced Diulo, a new diuretic for treatment of high blood pressure that can be taken once a day, and acquired rights for Tricandil, a drug for treatment of vaginal infections.

Searle's medical products group manufactures and distributes a wide variety of products, including reusable garments, disposable gowns, surgical drapes, masks, caps, latex gloves, urological products, medical kits and trays.

SmithKline Corp.

U.S. Sales $408,142,000
Advertising $23,000,000

SmithKline Corp., Philadelphia, tied as the nation's eighth largest medical advertiser, invested an estimated $23,000,000 in 1978 to promote its professional and pharmaceutical products.

Of that total, about 67% went into detailing, 22% to journals and 11% to direct mail.

Much of the company's sales success has been attributed to Tagamet, a drug used internationally in the treatment of ulcers and gastric disorders. SmithKline says evidence suggests that use of Tagamet will reduce the need for gastric surgery.

Other major pharmaceuticals include Dyazide, used to treat hypertension and related cardiovascular conditions, and Ancef, an injectable cephalosporin antibiotic. The company also holds great hope for Selacryn, an antihypertensive diuretic for which it holds the U.S. marketing rights.

Among SmithKline's stable of medical instruments are diagnostic ultrasound equipment, products used in clinical laboratories and physicians' offices and Hematrak, an automated differential blood cell counter.

Syntex Laboratories

U.S. Sales $112,000,000
Advertising $12,000,000

Syntex, Palo Alto, Cal., is tied as the nation's 20th largest medical advertiser, with 1978 ad expenditures of $12,000,000.

Of that advertising total, 70% went into detailing, 20% into journals and 10% into direct mail.

The company's principal product, an antiarthritic product called Naprosyn, reportedly accounts for about 25% of sales and about 50% of net income.

Upjohn Co.

U.S. Sales $568,000,000
Advertising $18,000,000

Upjohn Co., Kalamazoo, Mich., tied as the nation's 15th largest medical advertiser, invested $18,000,000 in 1978 to promote its pharmaceutical and professional products.

Of the total, an estimated 80% went into detailing and 20% into direct mail.

Among Upjohn's major pharmaceuticals are Motrin, an antiarthritic compound, and Cleocin, an anaerobic antibiotic.

Warner-Lambert Co.

U.S. Sales $768,096,000
Advertising $28,000,000

Warner-Lambert Co., Morris Plains, N.J., the nation's sixth largest advertiser, invested $28,000,000 in 1978 to promote its professional and pharmaceutical products.

Of that total, an estimated 77% went into detailing, 18% to journals and 5% to direct mail. During the year, Warner-Lambert received marketing approval for Vira-A, a treatment for herpes simplex encephalitis.

Major pharmaceuticals include Fluogen, an influenza vaccine; Dilantin, an anticonvulsant; Choledyl and Brondecon, xanthine bronchodilators; Elase, a topical proteolytic enzyme; Anusol, a hemorrhoidal preparation, and Pitocin, an oxytocic.

The company says it is the leading supplier of empty gelatin capsules, which other manufacturers use in drug production. It also does considerable business in sales of diagnostic products. Hospital products include medical-surgical products, orthopedic products and Deseret products, which include catheters for intravenous procedures. #

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